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of the State of California  
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Attorneys for Complainant

**BEFORE THE  
CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2004-7

**KARL W. PLANER**  
**4205 W. 63<sup>rd</sup> Street**  
**Los Angeles, CA 90043**

**STIPULATED SETTLEMENT AND  
DISCIPLINARY ORDER**

**Certified Public Accountant Certificate**  
**No. CPA 66302**

Respondent.

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the  
above-entitled proceedings that the following matters are true:

**PARTIES**

1. Carol Sigmann (Complainant) is the Executive Officer of the California  
Board of Accountancy. She brought this action solely in her official capacity and is represented  
in this matter by Bill Lockyer, Attorney General of the State of California, by  
Marc D. Greenbaum, Deputy Attorney General.

2. Respondent Karl W. Planer (Respondent) is represented in this proceeding  
by attorney K. Marshall Bowman, Esq., whose address is 3660 Wilshire Blvd., Suite 528, Los  
Angeles, CA 90010.

3. On or about January 28, 1994, the California Board of Accountancy issued  
Certified Public Accountant Certificate No. CPA 66302 to Respondent.

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1 professional licensing agency is involved, and shall not be admissible in any other criminal or  
2 civil proceeding.

### 3 CONTINGENCY

4 11. This stipulation shall be subject to approval by the California Board of  
5 Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of  
6 the California Board of Accountancy may communicate directly with the Board regarding this  
7 stipulation and settlement, without notice to or participation by Respondent or his counsel. By  
8 signing the stipulation, Respondent understands and agrees that he may not withdraw his  
9 agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon  
10 it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement  
11 and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be  
12 inadmissible in any legal action between the parties, and the Board shall not be disqualified from  
13 further action by having considered this matter.

14 12. The parties understand and agree that facsimile copies of this Stipulated  
15 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same  
16 force and effect as the originals.

17 13. In consideration of the foregoing admissions and stipulations, the parties  
18 agree that the Board may, without further notice or formal proceeding, issue and enter the  
19 following Disciplinary Order:

### 20 DISCIPLINARY ORDER

21 IT IS HEREBY ORDERED that Certified Public Accountant Certificate No.  
22 CPA 66302 issued to Respondent is revoked. However, the revocation is stayed and  
23 Respondent is placed on probation for three (3) years on the following terms and conditions.

24 1. **Obey All Laws.** Respondent shall obey all federal, California, other  
25 states' and local laws, including those rules relating to the practice of public accountancy in  
26 California.

27 2. **Submit Written Reports.** Respondent shall submit, within ten (10) days  
28 of completion of the quarter, written reports to the Board on a form obtained from the Board.

1 The Respondent shall submit, under penalty of perjury, such other written reports, declarations,  
2 and verification of actions as are required. These declarations shall contain statements relative to  
3 Respondent's compliance with all the terms and conditions of probation. Respondent shall  
4 immediately execute all release of information forms as may be required by the Board or its  
5 representatives.

6           3.       **Personal Appearances.** Respondent shall, during the period of probation,  
7 appear in person at interviews/meetings as directed by the Board or its designated  
8 representatives, provided such notification is accomplished in a timely manner.

9           4.       **Comply With Probation.** Respondent shall fully comply with the terms  
10 and conditions of the probation imposed by the Board and shall cooperate fully with  
11 representatives of the Board of Accountancy in its monitoring and investigation of the  
12 Respondent's compliance with probation terms and conditions.

13           5.       **Practice Investigation.** Respondent shall be subject to, and shall permit,  
14 practice investigation of the Respondent's professional practice. Such a practice investigation  
15 shall be conducted by representatives of the Board, provided notification of such review is  
16 accomplished in a timely manner.

17           6.       **Comply With Citations.** Respondent shall comply with all final orders  
18 resulting from citations issued by the Board of Accountancy.

19           7.       **Active License Status.** Respondent shall at all times maintain an active  
20 license status with the Board, including during any period of suspension. If the license is expired  
21 at the time the Board's decision becomes effective, the license must be renewed within 30 days of  
22 the effective date of the decision.

23           8.       **Cost Reimbursement.** Respondent shall reimburse the Board the amount  
24 of six thousand four hundred eighty three dollars (\$ 6,483.00) for its investigation and  
25 prosecution costs. The payment shall be made within ninety (90) days from the effective date of  
26 this decision.

27           9.       **Tolling of Probation For Out-of-State Residence/Practice.** In the event  
28 Respondent should leave California to reside or practice outside this state, Respondent must

notify the Board in writing of the dates of departure and return. Periods of non-California residency or practice outside the state shall not apply to reduction of the probationary period, or of any suspension. No obligation imposed herein, including requirements to file written reports, reimburse the Board costs, or make restitution to consumers, shall be suspended or otherwise affected by such periods of out-of-state residency or practice except at the written direction of the Board.

10. **Violation of Probation.** If Respondent violates probation in any respect, the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If an accusation or a petition to revoke probation is filed against Respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

11. **Completion of Probation.** Upon successful completion of probation, Respondent's license will be fully restored.

## ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, K. Marshall Bowman, Esq.. I understand the stipulation and the effect it will have on my certified public accountant certificate. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the California Board of Accountancy.

DATED: 9/24/04

K. L. West

KARL W. PLANER  
Respondent

DATED: 9-24-04

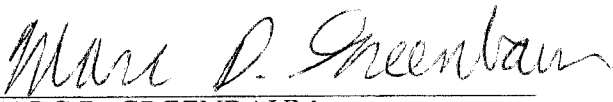
K. MARSHALL BOWMAN, ESC  
Attorney for Respondent

**ENDORSEMENT**

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the California Board of Accountancy of the Department of Consumer Affairs.

DATED: 10/5/04.

BILL LOCKYER, Attorney General  
of the State of California

  
\_\_\_\_\_  
MARC D. GREENBAUM  
Deputy Attorney General

Attorneys for Complainant

DOJ Docket/Matter ID Number: 03541110-LA2003600783  
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**Exhibit A**  
**Accusation No. AC-2004-7**

**BEFORE THE  
CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

Case No. AC-2004-7

**KARL W. PLANER  
4205 W. 63<sup>rd</sup> Street  
Los Angeles, CA 90043**

**Certified Public Accountant Certificate  
No. CPA 66302**

Respondent.

**DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the California Board of Accountancy, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on December 22, 2004.

It is so ORDERED November 22, 2004.

  
\_\_\_\_\_  
FOR THE CALIFORNIA BOARD OF ACCOUNTANCY  
DEPARTMENT OF CONSUMER AFFAIRS



1 BILL LOCKYER, Attorney General  
of the State of California  
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6 Attorneys for Complainant

7  
8 **BEFORE THE**  
**CALIFORNIA BOARD OF ACCOUNTANCY**  
**DEPARTMENT OF CONSUMER AFFAIRS**  
9 **STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

Case No. AC-2004-7

11 KARL W. PLANER  
12 4205 W. 63rd Street  
13 Los Angeles, CA 90043

**A C C U S A T I O N**

14 Certified Public Accountant Certificate No.  
CPA 66302

15 Respondent.

16  
17 Complainant alleges:

18 PARTIES

19 1. Carol Sigmann (Complainant) brings this Accusation solely in her official  
20 capacity as the Executive Officer of the California Board of Accountancy, Department of  
21 Consumer Affairs.

22 2. On or about January 28, 1994, the California Board of Accountancy issued  
23 Certified Public Accountant Certificate No. CPA 66302 to Karl W. Planer (Respondent).

24 3. The Certificate expired and was not valid during the period from June 1,  
25 1997, through September 23, 1997, for the following reasons:

26 a. The renewal fee required by Code section 5070.5 was not paid; and

27 b. Declaration of compliance with continuing education requirements was  
28 not submitted.

1                   4.       The Certificate was renewed "active," effective September 24, 1997, upon  
2 receipt of the renewal fee, and declaration of compliance with continuing education  
3 requirements.

4                   5.       The Certificate expired and was not valid during the period from June 1,  
5 1999, through October 20, 1999, for the following reasons:

6                   a.       The renewal fee required by Code section 5070.5 was not paid; and  
7                   b.       Declaration of compliance with continuing education requirements was  
8 not submitted.

9                   6.       On October 21, 1999, the Board received the certificate renewal form and  
10 fee, requesting "active" status, from Respondent, but the accompanying declaration of  
11 compliance did not report any continuing education. Therefore, a hold was placed on renewal of  
12 the Certificate.

13                   7.       On November 17, 1999, and on February 28, 2000, delinquent renewal  
14 notices regarding the hold placed on the Certificate were mailed to Respondent by the Board,  
15 incorrectly addressed to Respondent's prior address of record.

16                   8.       On January 11, 2001, the 1999 renewal fee was abandoned by the Board in  
17 accordance with California Code of Regulations, Title 16, section 71(b).

18                   9.       On April 23, 2003, the abandonment was reversed and Respondent's  
19 Certificate expiration date was changed from May 31, 1999, to May 31, 2001, and his 1999  
20 renewal fee reinstated, since the delinquent notices had erroneously been mailed to Respondent's  
21 prior address of record as set forth above in paragraph 7.

22                   10.      The Certificate expired on May 31, 2001, and has not been renewed.

23                                   JURISDICTION

24                   11.      This Accusation is brought before the California Board of Accountancy  
25 (Board), Department of Consumer Affairs, under the authority of the following laws. All section  
26 references are to the Business and Professions Code unless otherwise indicated.

27                   ///

28                   ///

1                   12.     Section 5100 states, in pertinent part:

2                   "After notice and hearing the board may revoke, suspend or refuse to renew any  
3 permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5  
4 (commencing with Section 5080), or may censure the holder of that permit or certificate for  
5 unprofessional conduct which includes, but is not limited to, one or any combination of the  
6 following causes:

7                   .....

8                   "(g) Willful violation of this chapter or any rule or regulation promulgated by the  
9 board under the authority granted under this chapter."

10                  13.     Section 22253, states, in pertinent part:

11                  "(a) It is a violation of this chapter [Bus. & Prof. Code, §§ 22250 et seq.] for a tax  
12 preparer to do any of the following:

13                  "(1) Fail to register as a tax preparer with the council."

14                  14.     Section 22258 states:

15                  "The following persons are exempt from the requirements of this title:

16                  "(a) A person with a current and valid license issued by the California Board of  
17 Accountancy and his or her employees while functioning within the scope of their employment.

18                  "(b) A person who is an active member of the State Bar of California and his or  
19 her employees while functioning within the scope of their employment.

20                  "(c) An employee of any trust company or trust business as defined in Chapter 1  
21 (commencing with Section 99) of Division 1 of the Financial Code while functioning within the  
22 scope of his or her employment.

23                  "(d) A financial institution regulated by the state or federal government, and  
24 employees thereof, insofar as the activities of the employees are related to their employment and  
25 the activities of the financial institution with respect to tax preparation are subject to federal or  
26 state examination or oversight.

27                  "(e) A person who is enrolled to practice before the Internal Revenue Service  
28 pursuant to Subpart A (commencing with Section 10.1) of Part 10 of Title 31 of the Code of

1 Federal Regulations, and his or her employees while functioning within the scope of his or her  
2 employment."

3 15. California Code of Regulations, Title 16, section 87, subdivision (a),  
4 states, in pertinent part:

5 "As a condition of active status license renewal, a licensee shall complete at least  
6 80 hours of qualifying continuing education as described in Section 88 in the two-year period  
7 immediately preceding license expiration, and meet the reporting requirements specified in  
8 subsection (a) of Section 89. A licensee engaged in the practice of public accountancy as defined  
9 in Section 5051 of the Business and Professions Code is required to hold a license in active  
10 status. No carryover of continuing education is permitted from one two-year license renewal  
11 period to another."

12 16. California Code of Regulations, Title 16, section 87.7, subdivision (a),  
13 states, in pertinent part:

14 "In order to renew a license in an active status a licensee shall, within the six years  
15 preceding the license expiration date, complete a continuing education course on the provisions  
16 of the Accountancy Act and the Board of Accountancy Regulations, application to current  
17 practice, and other rules of professional conduct. Such course shall be approved by the Board  
18 prior to the licensee receiving continuing education credit for the course and shall be a minimum  
19 of 8 hours."

20 17. Section 118, subdivision (b) states:

21 "The suspension, expiration, or forfeiture by operation of law of a license issued  
22 by a board in the department, or its suspension, forfeiture, or cancellation by order of the board or  
23 by order of a court of law, or its surrender without the written consent of the board, shall not,  
24 during any period in which it may be renewed, restored, reissued, or reinstated, deprive the board  
25 of its authority to institute or continue a disciplinary proceeding against the licensee upon any  
26 ground provided by law or to enter an order suspending or revoking the license or otherwise  
27 taking disciplinary action against the licensee on any such ground."

28 ///

1                   18.     Section 5070.6 states:

2                   "Except as otherwise provided in [Chapter 1, commencing with section 5000.1],  
3 an expired permit may be renewed at any time within five years after its expiration upon the  
4 filing of an application for renewal on a form prescribed by the board, payment of all accrued and  
5 unpaid renewal fees and providing evidence satisfactory to the board of compliance as required  
6 by Section 5070.5. If the permit is renewed after its expiration, its holder, as a condition  
7 precedent to renewal, shall also pay the delinquency fee prescribed by this chapter. Renewal  
8 under this section shall be effective on the date on which the application is filed, on the date on  
9 which the accrued renewal fees are paid, or on the date on which the delinquency fee, if any, is  
10 paid, whichever last occurs. If so renewed, the permit shall continue in effect through the date  
11 provided in Section 5070.5 that next occurs after the effective date of the renewal, when it shall  
12 expire if it is not again renewed."

13                                   APPLICATION INFORMATION

14                   19.     On or about October 21, 1999, the Board received an application to renew  
15 Certified Public Accountant Certificate No. CPA 66302 from Respondent. On or about October  
16 18, 1999, Respondent certified under penalty of perjury that the information contained in the  
17 application was true and correct.

18                                   FIRST CAUSE FOR DISCIPLINE

19                                   (Failure to Provide Proof of Continuing Education)

20                   20.     Respondent is subject to disciplinary action on the grounds of  
21 unprofessional conduct pursuant to Business and Professions Code section 5100(g), and  
22 California Code of Regulations, Title 16, sections 87 and 87.7, in that on his 1999 renewal  
23 application, Respondent requested renewal of his certificate in "active status" but he failed to  
24 obtain, and/or to demonstrate that he had obtained, the required hours of continuing education.

25                                   SECOND CAUSE FOR DISCIPLINE

26                                   (Preparing Tax Returns for Fees Without Being Registered with CTEC)

27                   21.     Respondent is subject to disciplinary action on the grounds of  
28 unprofessional conduct pursuant to Business and Professions Code sections 5100(g) and 22253,

1 in that Respondent prepared income tax returns for clients during April 2003 without being  
2 registered as a tax preparer with the California Tax Education Council (hereinafter "CTEC"),  
3 nor qualifying for any of the exemptions outlined in section 22258. The circumstances are as  
4 follows:

5 a. Respondent's certified public accountant certificate expired on or about  
6 May 31, 2001.

7 b. On or about November 20, 2001, the Board sent a letter to Respondent  
8 notifying him, among other things, that if he intended to continue providing tax preparation  
9 services for clients before completing renewal of his Certificate in active status, he needed to  
10 register as a tax preparer with CTEC.

11 c. On or about July 16, 2003, Respondent provided the Board with a copy of  
12 a 2002 personal income tax return which he prepared for a client on or about April 14, 2003.

13 d. To date, Respondent has failed to register as a tax preparer with CTEC.

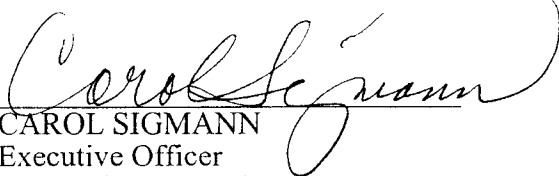
14 PRAYER

15 WHEREFORE, Complainant requests that a hearing be held on the matters herein  
16 alleged, and that following the hearing, the California Board of Accountancy issue a decision:

17 1. Revoking, suspending or otherwise imposing discipline upon Certified  
18 Public Accountant Certificate No. CPA 66302, issued to Karl W. Planer;

19 2. Taking such other and further action as the Board deems proper.

20 DATED: January 22, 2004

21  
22   
23 CAROL SIGMANN  
24 Executive Officer  
25 California Board of Accountancy  
26 Department of Consumer Affairs  
27 State of California  
28 Complainant